

City of Cherry Valley, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CHERRY VALLEY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2025

Financial and Compliance Report

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Cherry Valley, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Cherry Valley, Arkansas, as of and for the year ended December 31, 2025, and have issued our report thereon dated March 16, 2026. These procedures were not performed for the Water and Sewer Funds. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2025:

Mayor: Dennis Stephens (appointed March 11, 2025)
Earnest Meredith (resigned January 15, 2025)
Recorder/Treasurer: Stacey Bennett
District Court Clerk: Terrie Hess (resigned April 30, 2025) District Court Abolished March 11, 2025
Police Chief: Jamie Walls

We evaluated the City's compliance with certain state laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City government, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
March 16, 2026
LOM203025

CITY OF CHERRY VALLEY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	City Projects Fund (Park Complex)
Cash Balance, January 1, 2025	\$ 262,218	\$ 386,486	\$ 73,577
Receipts:			
State aid	23,543	69,847	
Federal aid	55,052		
Property taxes	25,928	8,378	
Franchise fees	24,456		
Sales taxes	154,393		97,613
Fines, forfeitures, and costs	66,283	5,456	
Interest	5,752	226	
Local permits and fees	6,975		
Other	4,838	2,375	
Transfers in		5,640	
Total Receipts	<u>367,220</u>	<u>91,922</u>	<u>97,613</u>
Disbursements:			
General government	124,590		
Law enforcement	121,141	8,609	
Highways and streets		64,402	
Public safety	57,562	4,860	
Recreation and culture	168		148,913
Community development		120,021	
Economic development		5,000	
Debt service	5,134	12,070	
Transfers out	5,640		
Total Disbursements	<u>314,235</u>	<u>214,962</u>	<u>148,913</u>
Cash Balance, December 31, 2025	<u>\$ 315,203</u>	<u>\$ 263,446</u>	<u>\$ 22,277</u>

CITY OF CHERRY VALLEY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training	Court Automation	Mosquito Control	Economic Development	Inmate Housing	Street Sales Tax	Community Development	Total
Cash Balance, January 1, 2025	\$ 37,830	\$ 17,044	\$ 7,605	\$ 3,509	\$ 48,688	\$ 190	\$ 21,635	\$ 249,985	\$ 386,486
Receipts:									
State aid	48,588	21,259							69,847
Property taxes	8,378								8,378
Fines, forfeitures, and costs			3,221			2,235			5,456
Interest	226								226
Other	2,375								2,375
Transfers in	5,640								5,640
Total Receipts	<u>65,207</u>	<u>21,259</u>	<u>3,221</u>			<u>2,235</u>			<u>91,922</u>
Disbursements:									
Law enforcement			6,364			2,245			8,609
Highways and streets	63,702						700		64,402
Public safety		4,860							4,860
Community development								120,021	120,021
Economic development					5,000				5,000
Debt service		12,070							12,070
Total Disbursements	<u>63,702</u>	<u>16,930</u>	<u>6,364</u>		<u>5,000</u>	<u>2,245</u>	<u>700</u>	<u>120,021</u>	<u>214,962</u>
Cash Balance, December 31, 2025	<u>\$ 39,335</u>	<u>\$ 21,373</u>	<u>\$ 4,462</u>	<u>\$ 3,509</u>	<u>\$ 43,688</u>	<u>\$ 180</u>	<u>\$ 20,935</u>	<u>\$ 129,964</u>	<u>\$ 263,446</u>

CITY OF CHERRY VALLEY, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General, Drug Forfeiture, Police Saving, Police Equipment, and Fire Equipment.
3. The Municipality's capital assets records are summarized below:

	December 31, 2025
Land	\$ 63,973
Buildings	336,423
Equipment	1,051,631
 Total	 \$ 1,452,027

4. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2025
Financed purchases	\$ 148,619